

2/17/2023

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF VIRGINIA
LYNCHBURG DIVISIONLAURA A. AUSTIN, CLERK
BY: s/ CARMEN AMOS
DEPUTY CLERK

UNITED STATES OF AMERICA

v.

JAMES ADAMS

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:Case No. 6:23CR00004-001AGREED STATEMENT OF FACTS

This Statement of Facts briefly summarizes the facts and circumstances surrounding the criminal conduct at issue in this case. It does not contain all of the information obtained during the investigation and applicable to an accurate Presentence Investigation Report and Sentencing Guidelines Calculation. The Statement of Facts is not protected by proffer agreement or any other agreement and shall be wholly admissible at trial notwithstanding any rules or statutes to the contrary, including, but not limited to, Federal Rules of Evidence 408 and 410 and Federal Rule of Criminal Procedure 11.

In 2011, JAMES ADAMS began to operate his family lumber mill, Adams Lumber Company Inc. ("Adams Lumber"). In 2012, Adams Lumber was referred to IRS Collection due to the company's failure to pay employment taxes. IRS's collection activity was not successful, and IRS ceased collection efforts. In 2012, ADAMS incorporated another entity, Adams Wood Products LLC ("Adams Wood"), which he used to pay employee wages for the lumber mill. Adams Wood failed to file timely Forms 941 or to pay employment taxes, with the exception of two payments in March and April of 2014 totaling \$5,702. In 2016, ADAMS began to use another entity to pay his employees, Halifax Forest Products LLC ("Halifax Forest").

From 2011 to the present, ADAMS has exercised control over Adams Lumber; Adams Wood; Halifax Forest; Halifax Flooring Products, LLC; Timber Trucking, LLC; and Halifax Lumber Products LLC (collectively, the "Companies"). ADAMS exercised control over the Companies' business and financial affairs, including hiring and firing employees, directing the Companies' day-to-day management, and determining which of the Companies' bills to pay and when to pay them. Thus, ADAMS was considered a "responsible person" under the law—that is, the person responsible for collecting trust fund taxes, accounting for those trust fund taxes by filing Forms 941 with the IRS, and paying over to the IRS the trust fund taxes for the Companies' employees.

From 2012 through January 31, 2022, ADAMS withheld trust fund taxes from the pay of his employees but, for almost every quarter during this time period, failed to fully pay these withheld trust fund taxes to the IRS on behalf of the Companies. ADAMS also failed to pay the employer contribution component of the employment taxes that his Companies owed. In fact, during this time period, ADAMS did not file any Forms 941 and paid only \$5,702 towards the

Companies' employment tax liabilities. For tax years 2014 through 2021, ADAMS's failure to pay over the employment taxes due and owing to the IRS for the Companies resulted in an outstanding balance of \$598,800 to the IRS.

Specifically, on or about January 31, 2021, for the calendar quarter ending December 31, 2020, in the Western District of Virginia, ADAMS willfully failed to truthfully account for and pay over the trust fund taxes due and owing to the IRS on behalf of Halifax Forest. This conduct occurred while ADAMS was a person required to collect, account for on quarterly Forms 941, and pay over to the IRS on behalf of the Companies the trust fund taxes imposed on the Companies' employees by the Internal Revenue Code.

At all relevant times, the Companies were located in Brookneal, Virginia, which is within the Western District of Virginia.

Seen and Agreed:

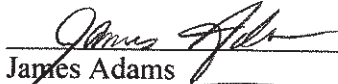
Date: January 9, 2023




Charlene Day
Jason M. Scheff
Assistant United States Attorneys

I have reviewed the above Agreed Statement of Facts with my attorney and I agree that it is true and accurate.

Date: January 9, 2023


James Adams



John Lichtenstein, Esq.
Attorney for Defendant